

In fact

For The Millions Who Want a Free Press

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Documentary Record

(For the benefit of readers in cities where the newspapers suppressed the facts of the treason of Big Business in national defense, 1940-41, and in America's war against Fascism, 1941-42, we give direct quotations from the three official documents. It is also important to recall that whereas the Truman Committee began investigating a year ago, labor unions and the press which does not accept Big Business advertising, charged a sitdown of capital in 1940, and sabotage by Big Business months before Congress acted.)

Tolan House Committee—"The testimony before the comm was almost universal that production to date has been a failure, measured against the available facilities and the visible needs for military purposes.

"The largest and most efficient manufacturing facilities are not being used in the armament effort. At the same time, the system of contract awards in effect excludes from production the facilities of tens of thousands of small producers. As a result, the mass production of critical military materials is awaiting, to a considerable extent, the completion of new plants. Thus, when speed in production is vital to the nation, the potentially greatest arsenals stand unused and their unemployed workers are waiting for new plants to open. The battles of today cannot be waged with deliveries from the plants of tomorrow."

Ass't Att'y Gen'l Thurman Arnold's Report to Congress—"Looking back over 10 months of defense effort we can now see how much it has been hampered by the attitude of powerful private groups dominating basic industries who have feared to expand their production because expansion would endanger their future control of industry. These groups have been afraid to develop new production themselves. They have even been afraid to let others come into the field." (For longer quotation see last issue, p. 1)

Truman Committee Report—"As of January 5, 1942, there were 255 dollar-a-year men and 631 woc (without compensation) men employed in the OPM. . . . Although the contracts obtained by the companies loaning the services of dollar-a-year and woc men are not passed upon by the men so loaned, such companies do obtain very substantial benefits from the practice. The dollar-a-year and woc men so loaned spend a considerable part of their time during office hours in familiarizing themselves with the defense program. They are, therefore, in a much better position than the ordinary man in the street to know what type of contracts the government is about to let and how their companies

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WITH the appointment of Donald Nelson, as over-all head of war production, and the Arnold, Truman and Tolan disclosures of sabotage, muddle and profiteering by the owners of industry, one major phase of America's war efforts ends. The big problem remains: how to convert the nation's industries to war production in the shortest time; but a long step has been taken in setting up the machinery to accomplish this result.

Biggest single factor in our war production potential is the automobile industry. IN FACT asked labor leaders in the industry and some legislators:

"Can the present management of the automobile industry be relied on to convert the industry to a full war effort? Do you think the government should take over the industry? What limit would you set before demanding government step in?"

Last week we published some answers—from Representative John M Coffee of Washington and Vito Marcantonio of New York, and from three regional directors of the Auto Workers Union, Carl A Swanson, William McAulay and George S Nordstrom. With once voice they answered "No" to the first question, and in the main were agreed that the government would have to step in if the automobile industry is to be promptly converted to war uses.

We have an answer from one of the most important labor leaders in the country—George F Addes, International Secretary-Treasurer of United Automobile, Aircraft and Agricultural Implement Workers of America. Addes is a member of the 7-man board set up under Knudsen's OPM to "advise" on conversion of the auto plants. He sent IN FACT this telegram AFTER the appointment of Nelson:

"From the attitude conveyed in the recent conferences held in Washington between labor, industry and government, industry cannot be relied upon to convert its facilities to full war effort unless government or the President of the United States issues an executive order to that effect."

"On that matter of government taking over industries, it is my thought that government should harness or conscript industry as it has harnessed or conscripted labor, if management refuses to have its facilities converted and under way within the next thirty or sixty days. It is quite evident that labor has sacrificed far more than industry and will no doubt continue to make those sacrifices for the duration."

Production Rises in Plants Run by U. S.

This is the considered opinion of a major leader in that section of the labor movement most vitally concerned with the war effort; a man who has had a closeup view of management's failure for over a year to do anything serious about converting its plants; who has heard General Motor's president, C E Wilson, declare after this record of failure that he would not "surrender the prerogatives of management"; who knows that the 400,000 unemployed auto workers need not have been jobless if labor's plan for conversion had been adopted. The main facts of the Truman and Tolan reports are fairly well-known now to IN FACT readers; there is further documentation in this issue; and these reports point unmistakably to the conclusion labor reached long ago, and which IN FACT has been hammering away at steadily: that "management," interested only in profits, will always put profits first, ahead of country, ahead of democracy, ahead of the fate of the entire world, and that our war effort cannot be left to "management's prerogatives."

Here is direct and positive evidence of what the alternative policy—government stepping in—means to war production. (You will not find these facts emphasized in the commercial press.)

Last August the Kearny (NJ) plant of the Federal Shipbuilding & Dry

Dock Co (a US Steel subsidiary) refused to accept a National Defense Mediation Board recommendation for union security, and production necessary for the safety of the country was held up. Labor asked that the United States step in. The US Navy took over the plant. Several weeks ago the plant was turned back to its owners. *Production increased 30 per cent during the 4-months operation by the Navy*, according to Admiral Bowen, who was in charge.

On October 31, 1941 the War Department took over the plant of Air Associates at Bendix, NJ, because the anti-labor policies of F LeRoy Hill had made operation impossible. (Investigation of Hill later revealed he was so obsessed with vicious anti-labor ideas that at the suggestion of the Department of Justice he was fired from his job.) Operating with the cordial cooperation of the union, the War Department managed to get along without Hill's gunmen, his "company union" and sweat shop conditions. *and production was up 37 per cent when the plant was returned to the owner early this month.*

The one answer received by IN FACT which takes a view opposite to what these facts indicate came from Senator Capper of Kansas, who wired: "I think the present management of auto industry, with cooperation of labor, can now be expected to convert industry to full war effort. I do not favor government taking over auto industry, to any greater extent than it has."

Now Is the Time to Bare Sabotage—Not After the War

A well-known member of one of the many Senate committees which investigated the scandals of World War I said to IN FACT: "When this war is over, I want to investigate the American steel, automobile, aluminum, and other industries and the dollar-a-year men who have so far sabotaged the American war program. I am sure there will be more sensational disclosures than in any scandal in the past."

The Truman Committee report (Jan 15) states: "Many of the inefficiencies and wastes which have been brought before the committee have been eliminated; still others have been partially corrected, but all too many others, the committee is sorry to say, continue. The committee believes that small purpose would be served by investigations after the war for the purpose of assessing the blame."

(IN FACT believes with Senator Truman that exposure of Big Business sabotage today is the most constructive criticism necessary; it must result in the elimination of elements which are either criminally inefficient or treasonable. When the shocking facts of the Truman report became known, there were demands for criminal prosecution of those responsible; that the Truman Committee will be given funds to continue its work is a foregone conclusion. The time to halt sabotage and industrial treason is during the war. There must be no scandals left to investigate after the war. Unfortunately the Big Press aided Big Business by maintaining silence about its sabotage the past 18 months; it still defends Knudsenism. The free press is the little press.)

BIGGEST WAR NEWS KEPT FROM PUBLIC

THE biggest war news since Pearl Harbor is not the loss of Manila, nor the shooting down of a dozen Japanese planes, nor even the sinking of 4 ships off the Atlantic coast, nor the tragic death of a motion picture actress in an airplane crash, although these are headlines which are now falsifying history in the making.

The real news of the great war, the important news upon which the future of the whole world depends, is today a story in two parts:

1. Military action. The most important and decisive front is the Russo-German. Here anywhere from five to ten million men are engaged and every gain or loss is vital.

2. Military production. The Roosevelt \$56,000,000,000 production program for planes, tanks and ships which will overwhelm and destroy Fascism, provides the second half of the story of life or death for the anti-Fascist nations of the world.

What has the press—the greatest power in the world—done with these stories?

1. It played down, buried, paid little attention to the war in Russia, giving as an excuse the fact nothing "dramatic" or "sensational" had happened.

2. It largely suppressed and generally buried the biggest story of the year in America, the failure of the production program to date, the Treason of Big Business, which sabotaged defense for its own profits, and continued to fight the government, the people and labor even after war was declared. If the press suppressed and buried this news for any other reason than the fact that General Motors, DuPonts, Chrysler, Aluminum, Mellon, Standard Oil, Rockefellers and others are big advertisers, IN FACT would like to know the answer.)

Tolan, Arnold, Truman Reports Manhandled

Here is the documentary evidence of what the American press has done to the three official reports which bear out the charges liberal weeklies, labor leaders, (notably CIO's Murray, Thomas, Addes, Reuther, Robinson and Harry Bridges) and perhaps one or 2% of the big standard newspapers (IN FACT knows of only

may best proceed to obtain consideration. They also are in an excellent position to know what shortages are imminent and to advise their companies on how best to proceed, either to build up inventories against future shortages, or to apply for early consideration of priorities. In addition, such men are frequently close personal friends and social intimates of the dollar-a-year and woc men who do pass upon the contracts in which their companies are interested."

"The committee is opposed to a policy of taking free services from persons with axes to grind, and the committee believes that the government should not continue to accept the loan of dollar-a-year and woc men by companies with so large a stake in the defense program. . . . No man can honestly serve two masters."

"The disappointing record of the OPM is not so much due to its lack of power as its failure to perform the functions for which it was created."

"In those instances where it has failed, the failure has not been due so much to lack of power as to the ineptness of the officials of the OPM and their unwillingness to use the weapon which they had. Where difficulties were incurred, the OPM should have thoroughly studied the problems involved and should have publicly made specific recommendations based on accuracy, concise statements of facts. . . . Instead of doing this, the usual procedure was to refrain from raising the issue and to avoid responsibility by claiming lack of authority and, if possible, by referring the matter to some agency of government."

Truman Report Summary—Here are some of the headlights of the report:

The OPM's "mistakes of commission have been legion; and its mistakes of omission have been even greater."

The 255 dollar-a-year men and the 631 additional men working without compensation have actually served as lobbyists for private business, which has kept them on its payroll and in some cases even raised their salaries.

The "disappointing" production of copper, lead and zinc was the result of industry's sitdown strike for fat profits and thin taxes (a strike that was won only a few days earlier when increases of 33% to 62% were granted by the government).

The auto industry falsely asserted last June that only 10% of its tools could be used for plane engines, but quickly changed its story when civilian auto production was banned.

The huge task of converting auto plants to war production was "not even well started."

Manufacturers' contentions that new taxes eat up profits are disproved by the experience of General Motors, Chrysler and Ford. For the first nine months of 1941 these three made a haul of \$430,604,778, as against only \$296,075,775 for the entire year 1939.

Defense housing has been hopelessly bungled, with a dozen different agencies dividing authority and none of them accomplishing anything significant.

Out of 13 companies studied by the committee, 9 anticipated profits from present contracts that would exceed the 1939 value of their properties.

Bethlehem Steel Corp, which engaged in common robbery during the last war, had the nerve to ask for \$55,000,000 grant for plant expansion under terms that would have meant a gift.

Todd Shipbuilding Corp admitted that

the navy allowed it a profit of \$1.80 a day on each of about 35,000 employees.

Knudsenism

One of the most revealing comments on the attitude of those who have been managing America's defense efforts [Labor's Non-Partisan League declares] came from William S. Knudsen, who for more than a year has been shoving aside all CIO proposals for all-out production, when asked whether he now believed that more conversion of the auto industry to war production is possible than he conceded a year ago, stated:

"Of course, now that there's nothing else to do."

Here we have the spectacle of the head of the chief war production agency admitting, in effect, that the auto industry would not convert its facilities to war purposes until it was prevented from manufacturing automobiles.

Formation of the War Production Board, with Donald M. Nelson as its czar [says Dow Jones financial newsletter Jan 15] is believed in Washington to be only the first step in an immense program for reorganizing and coordinating the entire war effort of the Allied Nations. Watch for the creation of a joint International Production Council as an inter-Allied equivalent of Mr. Nelson's board. Watch for the establishment of several international boards to serve under this Council—boards similar to that already set up under William L. Batt to supervise raw material resources. On the production front, but within OPM, a new system of "controllers" or "czars," one of each industry, will be set up.

Threatens President

THE latest broadside issued by Geo W. Christians, Chattanooga Fascist and founder of the Knight of the White Camelia, contains the following lines: "Our Liberty and Security were stolen by Washington's Raw Deal. Now we are to give up our LIVES for the Delusion of Grandeur of a Merciless Monster, FRANKLIN DELANO ROOSEVELT. SOME NECK—for a ROPE." Christians also threatens the editor of IN FACT for exposing him. The use of the mail for death threats is a penitentiary offense. IN FACT has turned evidence over to FBI.

Advertising Pressure

IN Arkansas last December there was proclaimed a "Catholic Consumer Appreciation Week." The diocesan newspaper, The Guardian, of Little Rock, said its aim was "to give Catholics and Catholic institutions an opportunity to cooperate in demonstrating the strength of Catholic buying power resulting from Catholic newspaper advertising." Church and

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three: St Louis Post-Dispatch, Chicago Sun, NY's PM) have made against money-making Big Business:

Truman Report (Special Senate Committee investigating national defense program). As IN FACT's Chicago correspondent reported Jan 19, Senator Truman's charges (made before report publication of sabotage of America's defense by OPM, by the auto industry, Bethlehem Steel Corp, Mellon's Alluminum Corp, etc) were suppressed by Chicago Tribune, Hearst papers, etc.

On Jan 15 the official report was issued. It could not be ignored. Our Chicago correspondent had concluded his summary with the statement: "If Sen Truman names corporations guilty of treason, it will be interesting to see what papers list the names."

The leading paper of America, the NYTimes, suppressed the names of General Motors, Chrysler, Ford, Aluminum Corp and Bethlehem Steel in its news columns. It gave the report 4½ paragraphs on Page 1, 3 columns inside. PM, which takes no advertising from these same corporations, gave the report 4½ solid pages, named the corporations.

The naming of the corporations which have sabotaged national defense and the exposure of the money-making men—capital, management, or whatever they call themselves—is necessary if America is to win the war. So far the American press (with few exceptions) has protected rather than exposed the defense production traitors.

The Thurman Arnold Report to Congress. IN FACT's Jan 19 issue gave complete documentation on the importance of the charges against monopoly and big business; how United Press buried the Arnold report; how most newspapers buried it or suppressed it.

Tolan Report. This was the first of the three governmental exposures of industry's sabotage. Weeks ago it was noted that the Tolan findings got one paragraph in the newspapers as compared to columns and pagelines given to Martin S. Dies (for his falsifications, his unfounded charges, and his attempt to undermine the defense program by smearing Leon Henderson).

Brasscheckers Pegler, Hearst, Krock Uphold Industry

If the Tolan and Arnold official indictments of Big Business as saboteur of defense had been widely published it would have been impossible for the brass-check writers, the defenders of the Big Money, such as Hearst, Pegler, Krock of the NYTimes, to distort the evidence. It is a paradoxical situation: the newspapers suppress the news; their columnists then write against the facts.

Naturally Hearst, called America's No. 1 Fascist in scores of resolutions of labor unions, teachers' associations, etc, attempts to smear all liberals and New Dealers while defending the symbol of Big Business, General Motors' Knudsen. The Hearst editorial (Jan 13) said:

"The 'Battle of the Pacific' is going against the United Nations because we didn't have enough tanks and planes and anti-aircraft guns . . . that puts the question of Victory or Defeat . . . on America's factory front. . . .

"Mr Knudsen . . . is also the target for an avalanche of criticism from both Right and Left. . . .

"The CIO braintrust has further jeopardized Mr Knudsen's position by deliberately planting the whispered smear that he is using OPM position to secure special favors for General Motors; and that he has been a champion of 'business-as-usual.' [See Truman report—ed. note.]

"But the CIO has been most disruptive in its demands for joint Labor-Industry management of production, with Labor granted equal status in the management. . . . The whole Left Wing mob is still dead set against the last war's successful handling of the mobilization of industry. . . . [The last war handling resulted in \$2,000,000,000 spent without one plane reaching the fighting front; with the creation of 20,000 millionaires.]

"And Leon Henderson's utter failure to synchronize the 'Civilian Supply' phase. . . . His personal, stubborn stranglehold on the Price Control structure is a serious irritant to powerful elements in Congress.

"And finally, hovering over the whole melee, is the ubiquitous Mr Harry Hopkins, jealous of any man who rises too high in the President's favor, still clinging to his position as No. 2 President. . . ."

The Hearst newspaper chain has now been supplanted by the Scripps-Howard newspaper chain as No 1 enemy of labor (in labor resolutions and statements, including that of the Newspaper Guild). Howard's chief brassbreaker writer, Pegler, after exposing a few rats in a few unions, has for almost a year smeared all organized labor. Now he writes (Jan 6):

"What the hell difference does it make now whether the maladministration in Washington, industrial inefficiency, economic caution or honest fear of a Socialistic coup in the motor industry or what combination of all these factors caused the enormous and irretrievable waste of materials and loss of time in the conversion of the motor factories toward production? . . . Naturally the motor companies were slow to abandon their regular trade. . . . I was in Washington when the CIO presented the 'practical, simple plan for utilizing and adapting the available machinery in the automobile industry for plane production'. . . . Possibly the magnates made a mistake in rejecting it as a Socialistic scheme intended to wrest the industry out of the hands of the owners, who, incidentally, are legion. . . . [Mr. Pegler apparently does not believe in the O'Mahoney report that 200 families own and control American industry; that the DuPonts control General Motors.] The industry is sure to be Socialized now and God only knows who will get it

